

NEWS RELEASE

More than 80 per cent of middle-income families face higher federal income taxes

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VANCOUVER—Contrary to rhetoric from Ottawa, the vast majority of middle-class Canadian families are paying higher income taxes due to changes made by the federal government, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

On average, middle-class families will pay \$840 more in federal income taxes this year.

“The federal government has repeatedly claimed they’ve lowered income taxes for the middle class while in reality, taking their major income tax changes into account, they’ve actually raised taxes on the vast majority of middle-class families,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of *Measuring the Impact of Federal Personal Income Tax Changes on Middle Income Canadian Families*.

The study finds that the federal government’s income tax changes will result in higher income taxes for 81 per cent of middle-class Canadian families with children (including both single parents and two-parent households) whose incomes fall between \$77,089 and \$107,624.

While the government did reduce the second-lowest personal income tax rate (from 22 to 20.5 per cent), Ottawa also scrapped income-splitting for couples with young children and eliminated a series of tax credits, which more than offset the tax savings from the rate reduction and ultimately increased the tax burden for most middle-class families.

The eliminated credits include: the children’s fitness tax credit, the education tax credit, the textbook tax credit and the public transit tax credit.

“The often repeated claim from the Trudeau government, that it reduced income taxes for the vast majority of middle-class Canadian families, is false,” Lammam said.

“By promoting one of its many income tax changes and downplaying the others, Ottawa is leaving Canadians with an incomplete picture of the overall impact of their tax changes, which is burdening the vast majority of middle-class families with a higher income tax bill.”

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